Embargoed until 06.00am Sunday 27 July 2008

Global Development of Rugby Union 'at risk'

- IRB needs to modernise governance & structure -

The global development of Rugby Union is at risk unless the Game embraces a series of reforms to the governance and structure of the IRB, according to a report issued today.

Called **'Putting Rugby First'**, the report says that rugby's 'narrow global footprint' and the fact that it is 'not played...in the world's large and fast growing nations' are signs of its failure.

The report says the governance and structure of the IRB is part of the problem, claiming the IRB is 'unrepresentative and undemocratic', the 'IRB's executive body is not sufficiently powerful or accountable' and the IRB's governance is 'outdated and lacks transparency'.

"The structure of the IRB risks enshrining parochialism. It could take just four Foundation Unions to 'veto' proposals agreed by 111 other nations. Unless the game shakes up its structure and strategy, it will not develop the newer nations fast enough and will continue to lag behind other more innovative sports in the competition for global fans and finance," says Quentin Smith, a co-author of the report, and a consultant with Addleshaw Goddard LLP.

"Rugby Union is still stuck in a 'Ghetto'. Over half of the 4 million of the world's registered players are English and 97% of the people watching the last Rugby World Cup Final came from Foundation Unions," according to William Field, a co-author of the report, and a partner at Spectrum Value Partners.

The report compares Rugby Union with other sports and identifies differences in their respective structures and development strategies. The report highlights football's success in using its flagship event (the FIFA World Cup) to support global development and the innovation and investment being made in Twenty20 cricket, as examples of strategies designed to broaden the appeal of the game to players and supporters in new, faster-growing, geographic markets.

The report also points at the IRB's failure to win Olympic status for Sevens at the 2012 Olympics, the failure to accommodate Argentina into a regular international schedule and the unwillingness to award the IRB Rugby World Cup outside a Foundation Union to date, as examples of the lack of successful long-term strategies and of the conservatism of rugby's governing elite.

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'Putting Rugby First' identifies six key goals for the reform of Rugby Union, which it says fans, players, sponsors and administrators, who are interested in the future of the game, should consider:

- 1. A more democratic and representative structure for the IRB
- 2. Best practice standards for corporate governance and management
- 3. A five-year plan for rugby's global development
- 4. Specific programmes with measurable objectives designed to deliver growth in priority territories
- 5. The 2015 IRB Rugby World Cup hosted in a priority territory
- 6. The inclusion of Sevens in the 2016 Olympics

"The IRB should be applauded for its aim of globalising rugby – the problem is not enough is being done to make this happen. Our proposed solution is to give the IRB greater power and authority in some areas. But this can only be achieved by reforming the Institution itself."

"We want 'Putting Rugby First' to stimulate a new debate about what the future looks like and how the game will make that future happen faster, more efficiently and more fairly," says Field.

'Putting Rugby First' is being delivered to over 1000 rugby officials, administrators and stakeholders across the world the week commencing 28 July 2008.

'Putting Rugby First' will also be available free for download at the web site: <u>www.puttingrugbyfirst.com</u>.

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Notes to editors

Spectrum Value Partners

Spectrum Value Partners is the technology, media and telecoms (TMT) practice of global consultancy Value Partners. Founded in 1994, Spectrum Value Partners is one of largest TMT strategy consultancy practices worldwide with expertise covering corporate and commercial strategy, organisational change, cost transformation, public policy, regulation, and M&A support. Specifically, Spectrum Value Partners has substantial experience within the sports industry including commercial strategy, policy and regulation, governance, organisation and rights management.

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Addleshaw Goddard LLP is a full service UK law firm. It advises clients (including public sector bodies, major commercial companies, institutions, sports governing bodies and private individuals) on a wide range of legal needs including banking and finance, commercial litigation, competition, construction, corporate finance, corporate restructuring and insolvency, defamation, employment, IP, IT, pensions, PFI and projects, private client, private equity, real estate, sport and tax. Its sports business group is acknowledged by independent legal rankings as amongst the leading practices in the UK, working on a wide range of matters for rights holders, sponsors and other sports stakeholders.

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